HOUSE PRICE PREDICTION ANALYSIS - TEHRAN HOUSE DATASET

```
In [1]: #import needed libraries
        #for data manipulations
        import pandas as pd
        import numpy as np
        #for ploting data
        import matplotlib.pyplot as plt
        import seaborn as sns
        sns.set(style="darkgrid",font_scale=1.5)
        #for statistical test
        import scipy
        import statsmodels.formula.api as smf
        import statsmodels.api as sm
        #for machine learning
        from sklearn import model_selection, preprocessing, feature_selection, ensemble, 1
        from sklearn.model selection import GridSearchCV, KFold, train test split
        from sklearn.tree import DecisionTreeRegressor
        from sklearn.neural_network import MLPRegressor
        from sklearn.ensemble import RandomForestRegressor
        from sklearn.metrics import mean_squared_error
        from sklearn.metrics import mean_absolute_error
        from sklearn.linear_model import ElasticNet, Lasso, LinearRegression, Ridge
        from xgboost import XGBRegressor
        from sklearn.neighbors import KNeighborsRegressor
        import plotly
        import plotly.express as px
        import plotly.graph_objs as go
        import plotly.offline as py
        from plotly.offline import iplot
        from plotly.subplots import make subplots
        import plotly.figure factory as ff
        import warnings
        warnings.filterwarnings("ignore")
```

1. Data Capture and Initial Analysis

```
In [2]: #reading the data
#understanding data structure
housePrice=pd.read_csv("housePrice.csv")
housePrice.tail()
```

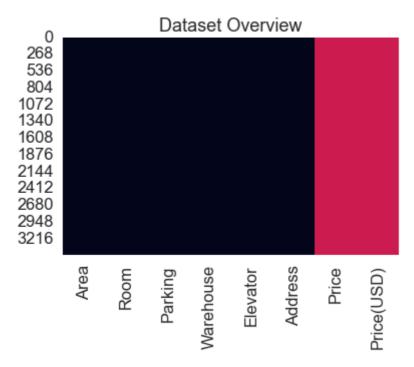
Out[2]:		Area	Room	Parking	Warehouse	Elevator	Address	Price	Price(USD)
	3474	86	2	True	True	True	Southern Janatabad	3.500000e+09	116666.67
	3475	83	2	True	True	True	Niavaran	6.800000e+09	226666.67
	3476	75	2	False	False	False	Parand	3.650000e+08	12166.67
	3477	105	2	True	True	True	Dorous	5.600000e+09	186666.67
	3478	82	2	False	True	True	Parand	3.600000e+08	12000.00

Exploratory Data Analysis

```
In [3]: #checking the data infor
       housePrice.info()
       <class 'pandas.core.frame.DataFrame'>
       RangeIndex: 3479 entries, 0 to 3478
       Data columns (total 8 columns):
                   Non-Null Count Dtype
        # Column
          Area
        0
                     3479 non-null object
        1 Room
                     3479 non-null int64
        2 Parking 3479 non-null bool
          Warehouse 3479 non-null bool
                     3479 non-null bool
          Elevator
           Address
                      3456 non-null object
           Price
                      3479 non-null float64
        6
           Price(USD) 3479 non-null float64
        7
       dtypes: bool(3), float64(2), int64(1), object(2)
       memory usage: 146.2+ KB
```

Insights from the First Glance

```
In [4]:
        ## Confirming the variables type that we are dealing with
        #1. i want to recognised if a column is numeric or categorical data using a self de
        def utils_recog_type(data,col,max_cat=20):
            if(data[col].dtype == "0") | (data[col].nunique() < max_cat):</pre>
                return "cat"
            else:
                return "num"
        #i want to plot heatmap to visualized columns type and missing data
        dict_cols={col:utils_recog_type(housePrice, col, max_cat=20) for col in housePrice
        print(dict_cols)
        heatmap=housePrice.isnull()
        #print(heatmap)
        for k,v in dict cols.items():
            if v=="num":
                heatmap[k]=heatmap[k].apply(lambda x:0.5 if x is False else 1)
                heatmap[k]=heatmap[k].apply(lambda x:0 if x is False else 1)
        sns.heatmap(heatmap,cbar=False).set_title('Dataset Overview')
        plt.show()
        {'Area': 'cat', 'Room': 'cat', 'Parking': 'cat', 'Warehouse': 'cat', 'Elevator':
        'cat', 'Address': 'cat', 'Price': 'num', 'Price(USD)': 'num'}
```



> In our dataset, we have both numerical and categorical variables. > The data consist of two targets varibale 'Price' where one is USD conversion of the other in Tehran Currency, which i will later drop one of them > 'Price' is detected as an float and not as an object. > Both 'Area' and 'Address' are categrical varibles, which i will later encode to numerical > The data consist of 3 bool variables 'parking' coded as 1 for parking space available and 0 for no packing space 'Warehouse' coded as 1 for warehouse available and 0 for no warehouse 'Elevator' coded as 1 for elevator available and 0 for no elevator i will later convert this to numerical variable > 'Address' consist of missing that

PROBLEM TO SOLVE

Based on the data Description, We have prediction / regression problem. I wil make prediction on the target variable PRICE I will build a model to get best prediction on the price variable. I will alos get the Model that best predict the outcome For that we will use RMSE(Root Mean Squared Error) and R2

```
In [5]: dubSum=housePrice.duplicated().sum()
print (f' We have {dubSum} dublicated information')

We have 208 dublicated information
```

Missing Values

```
In [6]: #percentage of missing that
def mValue (data):
    m_number = data.isnull().sum().sort_values(ascending=False)
    m_percent = (data.isnull().sum()/data.isnull().count()).sort_values(ascending=I m_values = pd.concat([m_number, m_percent], axis=1, keys=['Missing Total', 'Missing Tot
```

Out[6]:		Missing Total	Missing %
	Address	23	0.006611
	Area	0	0.000000
	Room	0	0.000000
	Parking	0	0.000000
	Warehouse	0	0.000000
	Elevator	0	0.000000
	Price	0	0.000000
	Price(USD)	0	0.000000

Based on the above table only Address varibale consist of Missing values which a total 23 and 0.7% of the total observed information. We will deal with this later.

Numerical Features in that data set

```
In [7]: cat = ['Address', 'Area', 'Parking', 'Warehouse', 'Elevator']
   num = ['Room', 'Price', 'Price(USD)']
   housePrice[num].describe()
```

Out[7]:		Room	Price	Price(USD)
	count	3479.000000	3.479000e+03	3.479000e+03
	mean	2.079908	5.359023e+09	1.786341e+05
	std	0.758275	8.099935e+09	2.699978e+05
	min	0.000000	3.600000e+06	1.200000e+02
	25%	2.000000	1.418250e+09	4.727500e+04
	50%	2.000000	2.900000e+09	9.666667e+04
	75%	2.000000	6.000000e+09	2.000000e+05
	max	5.000000	9.240000e+10	3.080000e+06

We have three numerical features in our dataset. All of our numerical features are measured in different scales. Based on the mean & median score differences, we can expect Slightly Right skew on the 'Room' (mean: 2.08 & median: 2.00) left skew on the 'Price' (mean: 5.36 & median: 2.90) And Left skew distribution on the 'Price(USD)' (mean: 1.79 & median: 9.67)

Based on the above result the 3 features are positively skewed, Price and Price(USD) right tail

Univarate analysis

```
In [9]: plt.figure(figsize=(15,8))
    sns.histplot(x=housePrice["Price"] , kde=True,bins=100)
```

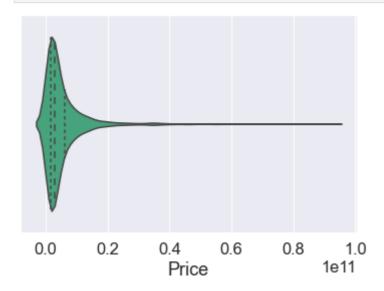
plt.title('Price Distribution' , color='gray')

Out[9]: Text(0.5, 1.0, 'Price Distribution')

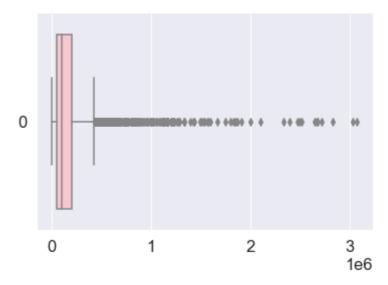


Description As it can be seen, Price feature is Right-Skewed. Most houses have roughly close price in one third of the first part Outliers are obvious now(on the right side)

```
In [10]: sns.violinplot(x=housePrice['Price'], inner="quartile", color="#36B37E");
```



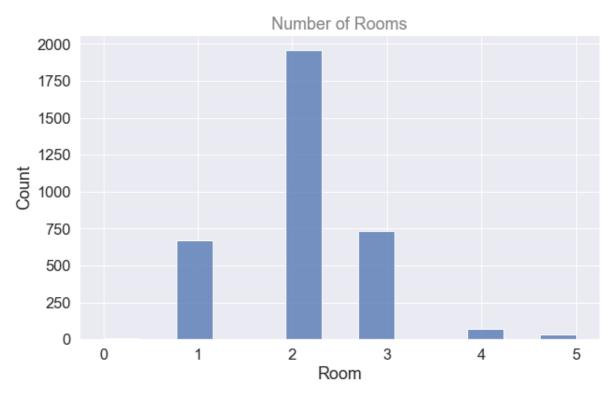
```
In [11]: sns.boxplot(data=housePrice['Price(USD)'], orient='h', color='pink')
Out[11]: <AxesSubplot:>
```



from the above violin Plot for both Price and Price(USD), we can see that most houses fall between 10000 and 50,000 in USD. we can also see this in the boxplot. The result also reveal presence of outliers in the target variable.

```
In [12]: plt.figure(figsize=(10,6))
    sns.histplot(housePrice["Room"] , palette='Set2' )
    plt.title("Number of Rooms" , color='gray')
Text(0.5, 1.0, 'Number of Rooms')
```

Out[12]: Text(0.5, 1.0, 'Number of Rooms')



> The numerical variables as different scales, i will deal with this during data preprocessing > Varibale 'Room' is sligtly skewes while the price has a right tails About 2000 houses have exactly 2 rooms (most houses)

Distribution of 1 and 3 rooms are roughly the same (a little more 3 rooms) we have not many houses with 4 or 5 rooms (in total about 150 houses) houses without room is rarely seen Conclusion Mean of rooms is roughly 2.

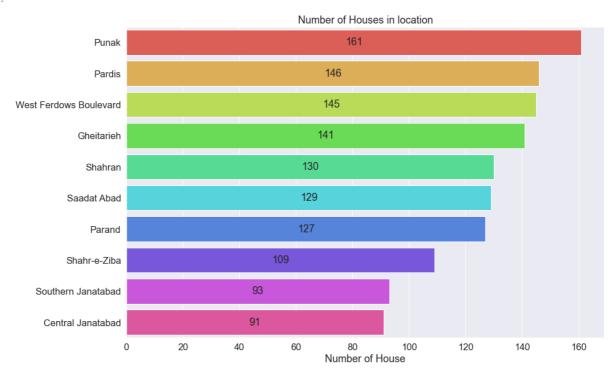
CATEGORICAL FEATURES

In [13]: # ADDRESS

```
print(housePrice['Address'].value_counts())
In [14]:
          housePrice['Address'].unique()
          Punak
          Pardis
                                       146
          West Ferdows Boulevard
                                       145
          Gheitarieh
                                       141
          Shahran
                                       130
          Chardangeh
                                        1
          Mehrabad
                                         1
          Pakdasht KhatunAbad
                                         1
          Kazemabad
                                         1
          Yakhchiabad
                                         1
          Name: Address, Length: 192, dtype: int64
          array(['Shahran', 'Pardis', 'Shahrake Qods', 'Shahrake Gharb',
                  'North Program Organization', 'Andisheh', 'West Ferdows Boulevard',
                  'Narmak', 'Saadat Abad', 'Zafar', 'Islamshahr', 'Pirouzi',
                  'Shahrake Shahid Bagheri', 'Moniriyeh', 'Velenjak', 'Amirieh',
                  'Southern Janatabad', 'Salsabil', 'Zargandeh', 'Feiz Garden',
                  'Water Organization', nan, 'ShahrAra', 'Gisha', 'Ray', 'Abbasabad',
                  'Ostad Moein', 'Farmanieh', 'Parand', 'Punak', 'Qasr-od-Dasht',
                  'Aqdasieh', 'Pakdasht', 'Railway', 'Central Janatabad',
                  'East Ferdows Boulevard', 'Pakdasht KhatunAbad', 'Sattarkhan', 'Baghestan', 'Shahryar', 'Northern Janatabad', 'Daryan No',
                  'Southern Program Organization', 'Rudhen', 'West Pars', 'Afsarieh',
                  'Marzdaran', 'Dorous', 'Sadeghieh', 'Chahardangeh', 'Baqershahr',
                  'Jeyhoon', 'Lavizan', 'Shams Abad', 'Fatemi', 'Keshavarz Boulevard', 'Kahrizak', 'Qarchak',
                  'Northren Jamalzadeh', 'Azarbaijan', 'Bahar',
                  'Persian Gulf Martyrs Lake', 'Beryanak', 'Heshmatieh',
                  'Elm-o-Sanat', 'Golestan', 'Shahr-e-Ziba', 'Pasdaran',
                  'Chardivari', 'Gheitarieh', 'Kamranieh', 'Gholhak', 'Heravi', 'Hashemi', 'Dehkade Olampic', 'Damavand', 'Republic', 'Zaferanieh',
                  'Qazvin Imamzadeh Hassan', 'Niavaran', 'Valiasr', 'Qalandari',
                  'Amir Bahador', 'Ekhtiarieh', 'Ekbatan', 'Absard', 'Haft Tir',
                  'Mahallati', 'Ozgol', 'Tajrish', 'Abazar', 'Koohsar', 'Hekmat',
                  'Parastar', 'Lavasan', 'Majidieh', 'Southern Chitgar', 'Karimkhan',
                  'Si Metri Ji', 'Karoon', 'Northern Chitgar', 'East Pars', 'Kook',
                  'Air force', 'Sohanak', 'Komeil', 'Azadshahr', 'Zibadasht', 'Amirabad', 'Dezashib', 'Elahieh', 'Mirdamad', 'Razi', 'Jordan',
                  'Mahmoudieh', 'Shahedshahr', 'Yaftabad', 'Mehran', 'Nasim Shahr',
                  'Tenant', 'Chardangeh', 'Fallah', 'Eskandari', 'Shahrakeh Naft',
                  'Ajudaniye', 'Tehransar', 'Nawab', 'Yousef Abad',
                  'Northern Suhrawardi', 'Villa', 'Hakimiyeh', 'Nezamabad',
                  'Garden of Saba', 'Tarasht', 'Azari', 'Shahrake Apadana', 'Araj',
                  'Vahidieh', 'Malard', 'Shahrake Azadi', 'Darband', 'Vanak',
                  'Tehran Now', 'Darabad', 'Eram', 'Atabak', 'Sabalan', 'SabaShahr', 'Shahrake Madaen', 'Waterfall', 'Ahang', 'Salehabad', 'Pishva',
                  'Enghelab', 'Islamshahr Elahieh', 'Ray - Montazeri',
                  'Firoozkooh Kuhsar', 'Ghoba', 'Mehrabad', 'Southern Suhrawardi',
                  'Abuzar', 'Dolatabad', 'Hor Square', 'Taslihat', 'Kazemabad',
                  'Robat Karim', 'Ray - Pilgosh', 'Ghiyamdasht', 'Telecommunication',
                  'Mirza Shirazi', 'Gandhi', 'Argentina', 'Seyed Khandan',
                  'Shahrake Quds', 'Safadasht', 'Khademabad Garden', 'Hassan Abad',
                  'Chidz', 'Khavaran', 'Boloorsazi', 'Mehrabad River River',
                  'Varamin - Beheshti', 'Shoosh', 'Thirteen November', 'Darakeh',
                  'Aliabad South', 'Alborz Complex', 'Firoozkooh', 'Vahidiyeh',
                  'Shadabad', 'Naziabad', 'Javadiyeh', 'Yakhchiabad'], dtype=object)
          addr = housePrice['Address'].value_counts().copy()
          addr = addr[:10]
```

fig, ax = plt.subplots(figsize=(15,10))

Out[15]: Text(0.5, 1.0, 'Number of Houses in location')



The above result shows the percentage and total numbr of houses in a particular location. 'punka' has the highest of number houses(161),followeed by Pardis(146),West Ferdows Boulevard(145), Gheitarieh,Shahran e.t.c Total unique Address is 191. We will later compare house prices in various area, to see if there price a flat depend on a particular environment.

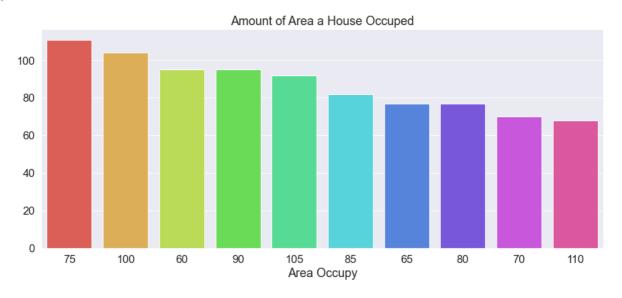
House AREA

```
In [16]: housePrice['Area'].sort_values().head(20)
```

```
1,000
          807
Out[16]:
          709
                    16,160,000,000
          2802
                     2,550,000,000
          570
                     3,310,000,000
          2171
                              3,600
          1604
                     8,400,000,000
          934
                                 100
          1080
                                 100
          1595
                                 100
          1597
                                 100
          3137
                                 100
          1608
                                 100
          180
                                 100
          2831
                                 100
          1590
                                 100
          2332
                                 100
          2943
                                 100
          192
                                 100
          2733
                                 100
          1655
          Name: Area, dtype: object
```

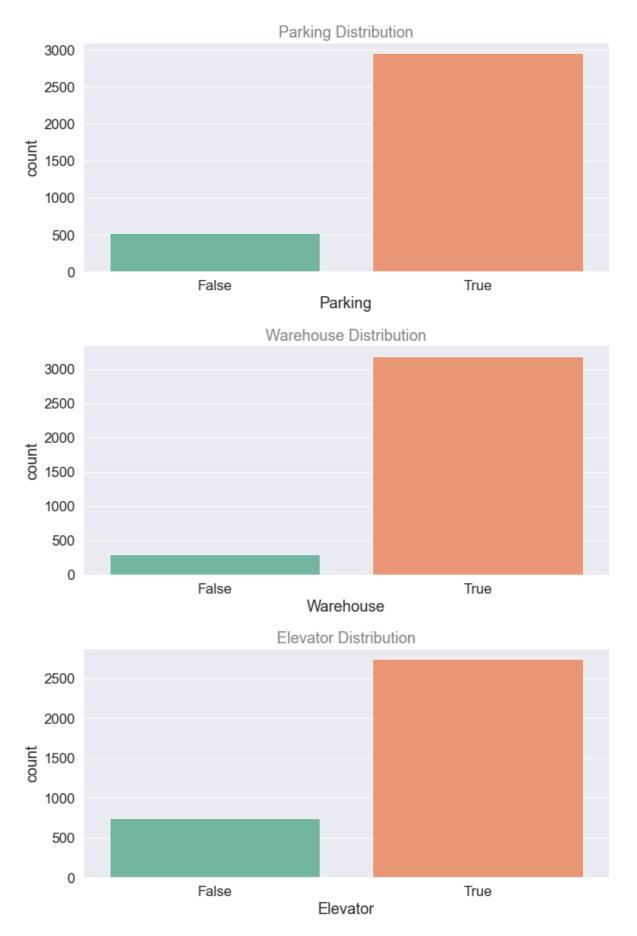
By Applying sorting to the column area an there values that are outrageous, i would have user histogram to check for the distribution but unfortunately the feature is categorical varibale. I will later convert this to a numerical data type.

Out[17]: Text(0.5, 1.0, 'Amount of Area a House Occuped')



PARKING, WAREHOUSE, ELEVATOR AVAILABILITY

Name: Parking, dtype: float64
True 91.46
False 8.54
Name: Warehouse, dtype: float64
True 78.73
False 21.27
Name: Elevator, dtype: float64



The result above shows that 84.79% of the houses has Parking lot, 91.46 of them has a warehouse and 78.73% ofd them has ElevatorGENERAL OBSERVATION FROM EACH FEATURE > Two targets varibale 'Price' where one is USD conversion of the other in Tehran Currency > 'Price' is detected as an float and not as an object. > Both 'Area' and 'Address' are categrical varibles > The data consist of 3 bool variables 'parking' coded as True for parking space available and False for no packing space 'Warehouse' coded as True for warehouse available and False for no warehouse 'Elevator' coded as True for elevator available and False for no elevator > 'Address' consist of 23 missing value > ThE whole data consist of 208 dublicated values 'punka' has the highest of

number houses(161),followeed by Pardis,West Ferdows Boulevard, Gheitarieh,Shahran e.t.c > Total unique Address is 191. > Price consist of outliers > The numerical variables as different scales, i will deal with this during data preprocessing > Varibale 'Room' is sligtly skewes while the price has a right tails > Area and price consist of outrageous values which far from than most of the observed information and may be cause for the presence of outliers

BIVARIATE ANALYSIS

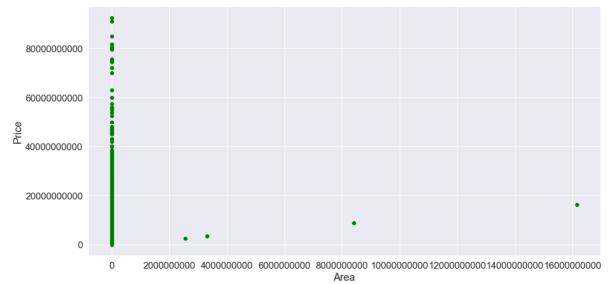
I will be ploting each features() against target varible price

NUMERICAL FEATURE

AREA VS PRICE

```
In [19]: #converting Area data type and replacing space with ,
housePri=housePrice
housePri["Area"] = housePri["Area"].apply(lambda x: float(x.split()[0].replace(','
housePri["Area"].astype(str).astype(float)

#ploting Price against Area
plt.figure(figsize = (16,8))
plt.scatter(housePri['Area'], housePri['Price'], color='green')
plt.xlabel("Area")
plt.ylabel("Price")
plt.ticklabel_format(useOffset=False, style='plain')
plt.show()
```



To be able to plot area against price i converted the data type and replace the empty space with a ',' The graph shows outrageous area dimensions and also depicts that most of the prices are tagged to no area, and this is abnormal. The result clearly shows that there are outliers withing the data especially within the area and price. I would like to investigate this by sorting the whole dataset on Area.

```
In [20]: #Raw Dataset sorted based on Area
housePri.sort_values(by="Area", ascending=False).head(15)
```

Out[20]:		Area	Room	Parking	Warehouse	Elevator	Addres	s Pric	e Price(USD)
	709	1.616000e+10	3	True	True	True	Pasdarar	n 1.616000e+1	538666.67
	1604	8.400000e+09	2	True	True	True	Gheitariel	a 8.700000e+0	9 290000.00
	570	3.310000e+09	2	True	True	True	Ostad Moeir	a 3.310000e+0	9 110333.33
	2802	2.550000e+09	2	True	True	True	Centra Janatabad	2 5500000e+0	9 85000.00
	2171	3.600000e+03	2	False	False	False	Shahrya	r 9.720000e+0	9 324000.00
	807	1.000000e+03	2	True	True	False	Damavano	d 7.000000e+0	9 233333.33
	1694	9.290000e+02	5	True	True	False	Zafa	r 8.000000e+1	2666666.67
	1974	9.000000e+02	3	True	True	False	Damavano	8.500000e+0	9 283333.33
	573	8.630000e+02	2	True	True	True	Gheitariel	7.830000e+0	9 261000.00
	831	7.500000e+02	5	True	True	True	Mahmoudiel	7.500000e+1	2500000.00
	3115	7.500000e+02	5	True	True	False	Varamin Behesht	3 500000e+0	9 116666.67
	1810	7.050000e+02	5	True	True	False	Abaza	r 9.100000e+1	0 3033333.33
	2647	7.000000e+02	3	True	True	False	Damavano	d 7.000000e+0	9 233333.33
	2481	7.000000e+02	3	True	True	False	Damavano	d 4.500000e+0	9 150000.00
	819	6.800000e+02	5	True	True	False	Ekhtiariel	a 8.160000e+1	2720000.00
4)
In [21]:		ing the list Pri[housePri	-		h this out	rageous A	Area measur	rement	
Out[21]:		Area	Room	Parking	Warehouse	Elevator	Address	Price	Price(USD)
	570	3.310000e+09	2	True	True	True	Ostad Moein	3.310000e+09	110333.33
	709	1.616000e+10	3	True	True	True	Pasdaran	1.616000e+10	538666.67
	1604	8.400000e+09	2	True	True	True	Gheitarieh	8.700000e+09	290000.00
	2171	3.600000e+03	2	False	False	False	Shahryar	9.720000e+09	324000.00
	2802	2.550000e+09	2	True	True	True	Central Janatabad	2.550000e+09	85000.00

The presence of outliers can now easily be proved because one of the flat recorded for this outlier has only 2 rooms, no parking space, no warehouse, no elevator and the price is said to be extremely high. but considering the Location at which the house is located is at the suburb of Tehran which may likely be expensive.

CATEGORICAL FEATURES

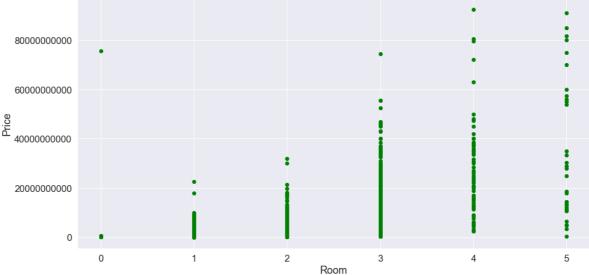
```
In [22]: def cat_v_tG(hou, feature):
    plt.grid(True)
    ax = sns.boxenplot(data=hou, x=feature, y='Price')
    ax.set_title(f'{feature} vs price', fontdict={'fontsize': 18})
# draw the countplot of a categorical variable
```

```
def cat_cplot(hou, feature):
    plt.grid(True)
    ax = sns.countplot(x=hou[feature])
    ax.set_title(f'{feature}\'s count', fontdict={'fontsize': 18})

cat_features = ['Room','Parking','Warehouse','Elevator']
```

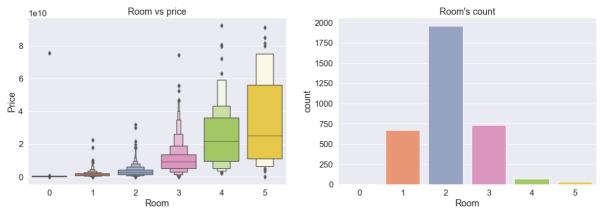
ROOM VS PRICE

```
In [23]: #ROOM VS PRICE
plt.figure(figsize = (16,8))
plt.scatter(housePri['Room'], housePri['Price'], color='green')
plt.xlabel("Room")
plt.ylabel("Price")
plt.ticklabel_format(useOffset=False, style='plain')
plt.show()
```



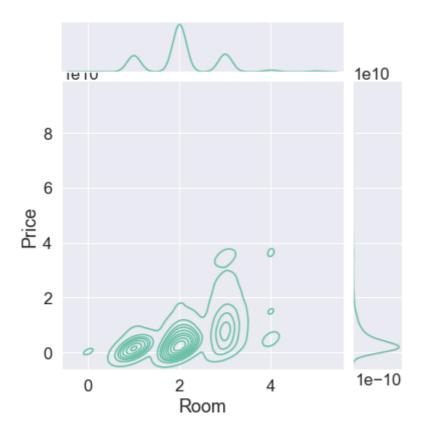
```
In [24]: plt.figure(figsize=(20, 6))
    sns.set_palette('Set2')
    plt.subplot(1, 2, 1)
    cat_v_tG(housePri, cat_features[0])

plt.subplot(1, 2, 2)
    cat_cplot(housePri, cat_features[0])
    plt.show()
```



```
In [25]: sns.jointplot(x = "Room", y = "Price", kind = "kde", data = housePri)
```

Out[25]: <seaborn.axisgrid.JointGrid at 0x22fc7446c40>



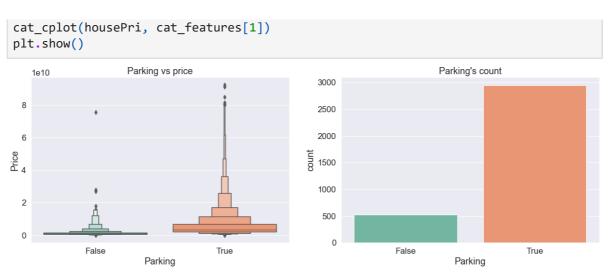
Insights: - The majority of houses in this dataset has 2 rooms. - All the houses in this dataset has 0 to 5 rooms. - Usually, flat with higher rooms are naturally expensive. That is, the price goes up when the number of rooms increases. - An exception is when the number of bedrooms is 0, the price is the highest - Most houses with 5 rooms are without elevators. - it seems there is an outliers within. Let me investigate this

n [26]:	<pre>housePri[(housePri['Room']== 0) & (housePri['Price']> 20000000000)]</pre>											
ut[26]:	Area		Room	Parking	Warehouse	Elevator	Address Price		Price(USD)			
	3107	630.0	0	False	False	False	Tajrish	7.560000e+10	2520000.0			
n [27]:	<pre>housePri[(housePri['Address']== "Tajrish")]</pre>											
ut[27]:		Area	Room	Parking	Warehouse	Elevator	Address	Price	Price(USD)			
	355	110.0	2	True	True	True	Tajrish	6.600000e+09	220000.00			
	1148	115.0	2	True	True	True	Tajrish	8.200000e+09	273333.33			
	2584	300.0	4	True	True	True	Tajrish	9.000000e+09	300000.00			
	2769	100.0	2	True	True	True	Tajrish	5.700000e+09	190000.00			
	2831	100.0	2	True	True	True	Tajrish	5.700000e+09	190000.00			
	3096	150.0	3	True	True	True	Tajrish	1.275000e+10	425000.00			
	3107	630.0	0	False	False	False	Tajrish	7.560000e+10	2520000.00			

Parking VS Price

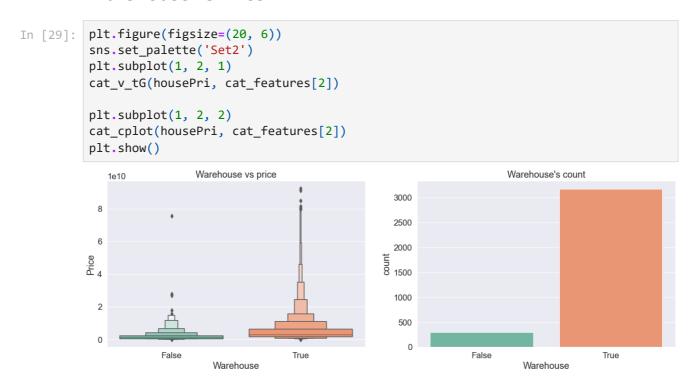
```
In [28]: plt.figure(figsize=(20, 6))
    sns.set_palette('Set2')
    plt.subplot(1, 2, 1)
    cat_v_tG(housePri, cat_features[1])

plt.subplot(1, 2, 2)
```



Insight - Most of the flat in this dataset has Parking space - The price of the flat with parking is more expensive than those with no parking

Warehouse vs Price

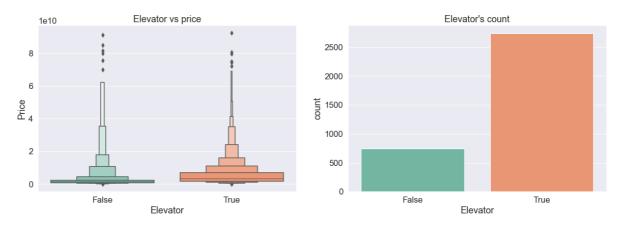


Insight - Most of the flat in this dataset has a Warehouse space - The price of the flat with Warehouse is more expensive than those with no Warehouse

Elevator vs Price

```
In [30]: plt.figure(figsize=(20, 6))
    sns.set_palette('Set2')
    plt.subplot(1, 2, 1)
    cat_v_tG(housePri, cat_features[3])

plt.subplot(1, 2, 2)
    cat_cplot(housePri, cat_features[3])
    plt.show()
```



Insight - Most of the flat in this dataset has a Elevator space - The price of the flat with Warehouse is more Elevator than those with no Elevator





As observed in Univariate analysis for Column Area and price which consist outrageous values, this was also observed from the distribution of Price and Boxplot which shows that price has a positive skew to the right trail. i will remove this column later in data processing. > To avoid multicollinearity within that data I will also drop column Price(USD)

DATA PRE-PROCESSING

```
In [33]: #copying the orginal dataset
housePri_copy=housePri.copy()
```

WHAT TO DO > REMOVING OUTLIERS FROM PRICE AND AREA > DROPING MISSING ROWS > CONVERT PARKING, WAREHOUSE, ELEVATOR FROM BOOLEAN TO NUMERIC > REMOVING VARIABLES THAT LEAD TO MULTICOLLINEARITY(PRICE(USD))

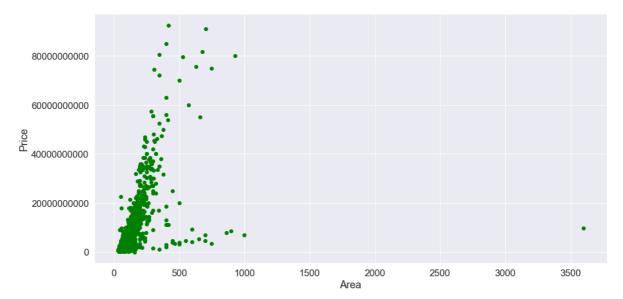
```
In [34]: #Converting Boolean type to integers
   housePri["Parking"] =housePri['Parking'].astype('int')
   housePri["Warehouse"] = housePri['Warehouse'].astype('int')
   housePri["Elevator"] = housePri['Elevator'].astype('int')
In [35]: housePri.drop(['Price(USD)'], axis=1, inplace=True)
   housePri = housePri.drop([709, 1604, 570, 2802])
   housePri
```

Out[35]:		Area	Room	Parking	Warehouse	Elevator	Address	Price
	0	63.0	1	1	1	1	Shahran	1.850000e+09
	1	60.0	1	1	1	1	Shahran	1.850000e+09
	2	79.0	2	1	1	1	Pardis	5.500000e+08
	3	95.0	2	1	1	1	Shahrake Qods	9.025000e+08
	4	123.0	2	1	1	1	Shahrake Gharb	7.000000e+09
	•••							
	3474	86.0	2	1	1	1	Southern Janatabad	3.500000e+09
	3475	83.0	2	1	1	1	Niavaran	6.800000e+09
	3476	75.0	2	0	0	0	Parand	3.650000e+08
	3477	105.0	2	1	1	1	Dorous	5.600000e+09
	3478	82.0	2	0	1	1	Parand	3.600000e+08

3475 rows × 7 columns

i have drop the Price in USD to avoid multicollinearity and also drop rows with ID 709, 1604, 570, 2802 as they reflect outrageous price and area which resulted into outliers within the data. To be sure the data is now without outliers i will verify that by ploting Area and Price graph.

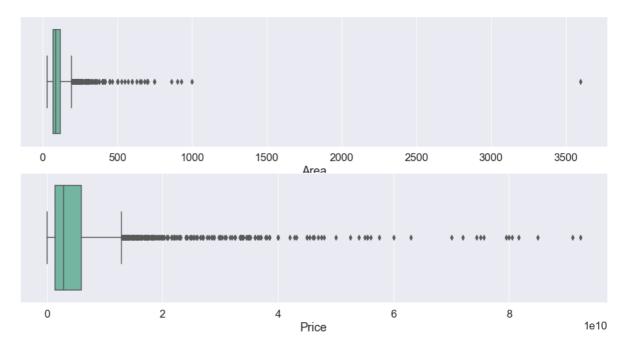
```
In [36]:
        housePri=housePri.dropna()
        housePri.info()
        <class 'pandas.core.frame.DataFrame'>
        Int64Index: 3452 entries, 0 to 3478
        Data columns (total 7 columns):
            Column Non-Null Count Dtype
                      -----
           Area
                      3452 non-null float64
         0
                   3452 non-null int64
         1
            Room
         2 Parking 3452 non-null int32
         3 Warehouse 3452 non-null int32
         4 Elevator 3452 non-null int32
                      3452 non-null object
             Address
             Price 3452 non-null float64
         6
        dtypes: float64(2), int32(3), int64(1), object(1)
        memory usage: 175.3+ KB
In [37]: #AREA VS PRICE
        plt.figure(figsize = (16,8))
        plt.scatter(housePri['Area'], housePri['Price'], color='green')
        plt.xlabel("Area")
        plt.ylabel("Price")
        plt.ticklabel_format(useOffset=False, style='plain')
        plt.show()
```



The graph depict that as area goes up the price of the house increases, and this is normal. The result clearly shows that there are still outliers withing the data as we have one issolated point to the right of the graph. The point is shown at point higher that the scale of the area. I would like to investigate this by getting the list of area above 3500

Now i found one information that is responsible for outliers, the observed information has only 2 rooms, no parking space, no warehouse, no elevator and the price is said to be extremely high, but considering the Location at which the house is located is at the suburb of Tehran which may likely be expensive. let me use another function to alos confirm this result

```
In [39]:
         housePri.skew()
         Area
                       17.605814
Out[39]:
         Room
                       0.624244
         Parking
                       -1.932278
         Warehouse
                       -2.973597
                       -1.403149
         Elevator
         Price
                       4.767098
         dtype: float64
In [40]: plt.figure(figsize = (16,8))
         plt.subplot(2,1,1)
         sns.boxplot(x =housePri['Area'])
         plt.subplot(2,1,2)
         sns.boxplot(x = housePri['Price'])
         <AxesSubplot:xlabel='Price'>
Out[40]:
```



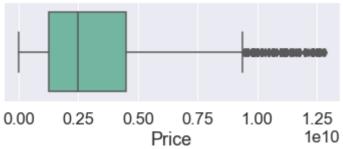
Using skewness and box plot function reveal more information on the hinden outliers. The result shows that there are still outliers in price as well, Even after removing some outreagous values from the data. To remove this outliers by writing simple function.

```
#REMOVING OUTLIERS
In [41]:
         #i want to get the value of the outliers using interquaritle ranges
         #i wil define interquartiles range functions that will give me the IQR values and d
         def Up_lw_qrt(data):
             Qrt1=np.percentile(data,25)
             Qrt3=np.percentile(data,75)
             IQR=Qrt3 - Qrt1
             #i want to get the lower and uper quartile now
             1Qrt=Qrt1 - (1.5 * IQR)
             UQrt=Qrt3 + (1.5 * IQR)
             return 1Qrt,UQrt
         #i want to show the lower and upper uartiel for this two column Price and Area
         l_area,u_area=Up_lw_qrt(housePri.Area)
         l_price,u_price=Up_lw_qrt(housePri.Price)
         print(f"Lower Price limit is:{l_price:,}")
         print(f"Uper Price limit is:{u price:,}")
         print(f"Lower Area limit is:{l area:0.2f}")
         print(f"Uper Area limit is:{u_area:0.2f}")
         #area outiers
         a_outliers=np.where(housePri.Area > u_area)
         p_outliers=np.where(housePri.Price > u_price)
         total_outliers= np.union1d(a_outliers,p_outliers)
         print(f"Number of Area Outliers:{len(housePri.Area.iloc[a outliers])}")
         print(f"Number of Price Outliers:{len(housePri.Price.iloc[p_outliers])}")
         print(f"Number of Total Outliers:{len(housePri.Area.iloc[total_outliers])}")
         housePri.Area.iloc[a_outliers]=np.nan
         housePri.Price.iloc[p_outliers]=np.nan
```

```
Lower Price limit is:-5,450,625,000.0
Uper Price limit is:12,870,375,000.0
Lower Area limit is:-7.50
Uper Area limit is:196.50
Number of Area Outliers:240
Number of Price Outliers:309
Number of Total Outliers:363
```

I defined a functions to identify features with outliers and alos to replace the outliers with 'nan'. The result above shows that there 240 outliers in Area, 309 in Price and the total outliers is estimated to be 363. I will drop this outliers.

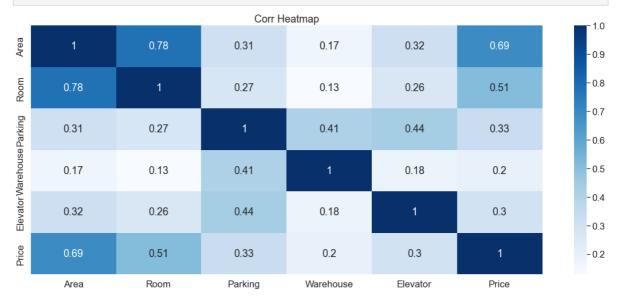
```
housePri=housePri.dropna(axis=0)
In [42]:
          housePri.isnull().sum()
          Area
                       0
Out[42]:
          Room
                       0
          Parking
                       0
         Warehouse
                       0
          Elevator
                       0
          Address
                       0
          Price
                       0
          dtype: int64
          #i want to plot the new area and price varibale to check and confirm that the outl
In [43]:
          plt.figure(figsize = (16,8))
          plt.subplot(2,1,1)
          sns.boxplot(x=housePri.Area)
          plt.show()
          plt.subplot(2,1,2)
          sns.boxplot(x=housePri.Price)
          plt.show()
          print("Here is the skewness after droping outliers",housePri.skew())
          #let me also check cross correlation of the data using pairplot of the whole datase
                                                                                   444 44 4 44
                           60
                                     80
                                              100
                 40
                                                       120
                                                                 140
                                                                           160
                                                                                    180
                                                                                              200
                                                   Area
```



Here is the skewness after droping outliers Area 0.672756

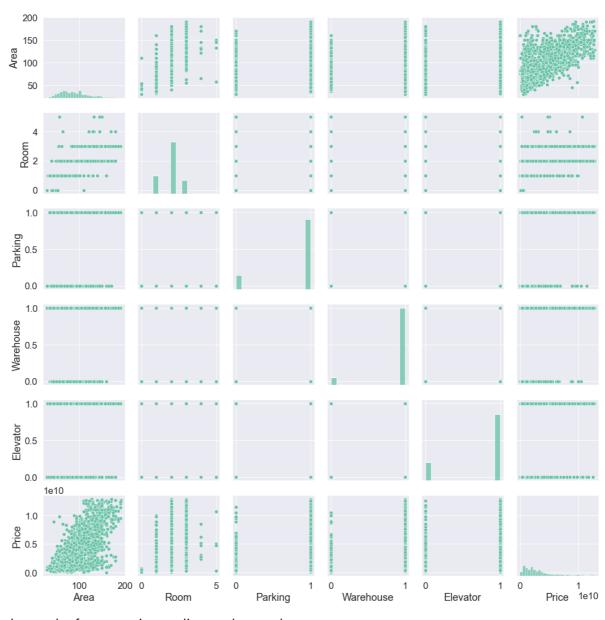
Room 0.163801 Parking -1.798618 Warehouse -2.901748 Elevator -1.393130 Price 1.285909 dtype: float64

In [44]: # heatmap of correlation between features
plt.figure(figsize=(20, 8))
ax = sns.heatmap(housePri.corr(), annot=True, cmap='Blues')
ax.set_title('Corr Heatmap', fontdict={'fontsize': 18})
plt.show()



In [45]: #let me also check cross correlation of the data using pairplot of the whole datase
sns.pairplot(housePri)

Out[45]: <seaborn.axisgrid.PairGrid at 0x22fc8d62f40>

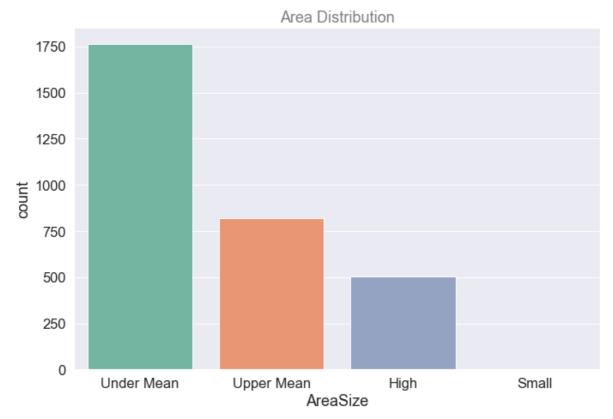


The above is the result after removing outliers and nan values.

FEATURE ENGINEERING

```
In [46]: AreaNewFeat = []
          for i in housePri['Area']:
              if i <= 30:
                  AreaNewFeat.append("Small")
              elif (i > 30 and i<=90):</pre>
                  AreaNewFeat.append("Under Mean")
              elif (i>90 and i <= 120):</pre>
                  AreaNewFeat.append("Upper Mean")
              elif i > 120:
                  AreaNewFeat.append("High")
              else:
                      AreaNewFeat.append(np.nan)
          housePri["AreaSize"] = AreaNewFeat
          plt.figure(figsize=(10,7))
In [47]:
          sns.countplot(x="AreaSize" , data= housePri)
```



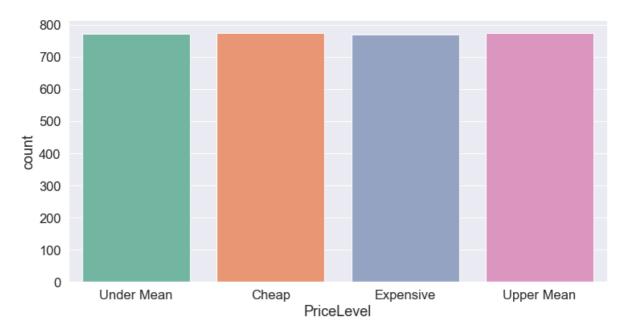


Insight > As we can see about half of houses have between 30-90 meters(m2) > Houses with 90-120 meters have the same contribution with houses which have more than 120 meters > we can realize that right-skewed has happened.(outliers most are on the right part) > very low houses are with less than 30 meters size.

```
In [48]:
         PriceNewFeat = []
         H25 = housePri['Price'].describe()[4]
         H50 = housePri['Price'].describe()[5]
         H75 = housePri['Price'].describe()[6]
         for i in housePri['Price']:
              if
                   i <= H25:
                  PriceNewFeat.append("Cheap")
              elif (i > H25 and i<= H50):</pre>
                  PriceNewFeat.append("Under Mean")
              elif (i > H50 and i <= H75):</pre>
                 PriceNewFeat.append("Upper Mean")
              elif i > H75:
                  PriceNewFeat.append("Expensive")
              else:
                  PriceNewFeat.append(np.nan)
         housePri["PriceLevel"] = PriceNewFeat
         plt.figure(figsize=(12,6))
In [49]:
         sns.countplot(x='PriceLevel' , data = housePri )
```

<AxesSubplot:xlabel='PriceLevel', ylabel='count'>

Out[49]:



The price level across the region is been regularized based on the price mean.

RESEACH QUESTIONS

4.1 WHAT IS BEING ANALYSED?

- 1. Aim and Objectives of this reseach analysis is to develop a machine learning model to predict the price of houses
- 2. The project focussed on supervised learning techniques using regression methods

4.4 How is it being analysed?

1. Regression Analysis:

The target variable is House Price(descrete numerical data), which is dependent variable and other columns area, room, parking, warehouse, elevator and location are independent variable. We perform regression analysis to identify the relation between these dependent and independent variables and build our model. This model will then predict the price information for the given independent variables(features).

4.4.1 Suitable Algorithms - Regrerssion Analysis

1. Ridge 2. Random Forest Regressor 3. XGBRegressor 4. Lasso Regressor 5. Elastic Network 6. KNeighbour Regressor 7. Decision Tree Regressor

DATA PREPARATION FOR REGRESSION

```
In [50]: housePri["Area"] =housePri['Area'].astype('int')
pd.options.display.float_format = '{:.0f}'.format
```

```
housePri.info()
<class 'pandas.core.frame.DataFrame'>
Int64Index: 3089 entries, 0 to 3478
Data columns (total 9 columns):
              Non-Null Count Dtype
# Column
--- -----
               -----
   Area
              3089 non-null int32
0
1 Room
1 Room 3089 non-null int64
2 Parking 3089 non-null int32
3 Warehouse 3089 non-null int32
4 Elevator 3089 non-null int32
   Address 3089 non-null object
Price 3089 non-null float64
5
6
7 AreaSize 3089 non-null object
8 PriceLevel 3089 non-null object
dtypes: float64(1), int32(4), int64(1), object(3)
memory usage: 257.6+ KB
```

#housePri["Price"] =housePri['Price'].astype('int')

In [51]: housePri.head(15)

Out[51]:		Area	Room	Parking	Warehouse	Elevator	Address	Price	AreaSize	PriceLevel
	0	63	1	1	1	1	Shahran	1850000000	Under Mean	Under Mean
	1	60	1	1	1	1	Shahran	1850000000	Under Mean	Under Mean
	2	79	2	1	1	1	Pardis	550000000	Under Mean	Cheap
	3	95	2	1	1	1	Shahrake Qods	902500000	Upper Mean	Cheap
	4	123	2	1	1	1	Shahrake Gharb	7000000000	High	Expensive
	5	70	2	1	1	0	North Program Organization	2050000000	Under Mean	Under Mean
	6	87	2	1	1	1	Pardis	600000000	Under Mean	Cheap
	7	59	1	1	1	1	Shahran	2150000000	Under Mean	Under Mean
	8	54	2	1	1	0	Andisheh	493000000	Under Mean	Cheap
	9	71	1	1	1	1	West Ferdows Boulevard	2370000000	Under Mean	Under Mean
	10	68	2	1	1	1	West Ferdows Boulevard	2450000000	Under Mean	Under Mean
	11	64	1	1	1	1	Narmak	2100000000	Under Mean	Under Mean
	12	54	1	0	1	1	Narmak	1690000000	Under Mean	Under Mean
	13	136	3	1	1	1	Saadat Abad	11000000000	High	Expensive
	14	95	2	1	1	1	Zafar	5000000000	Upper Mean	Expensive

GET DUMMY FOR THE ADDRESS

```
In [52]: addr_dum = pd.get_dummies(housePri[['Address','AreaSize','PriceLevel']])
housePrice = housePri.merge(addr_dum, left_index = True, right_index = True)
housePrice.drop(columns = {'Address','AreaSize','PriceLevel'}, inplace = True)
housePrice.head(10)
```

Out[52]:		Area	Room	Parking	Warehouse	Elevator	Price	Address_Abazar	Address_Abbasabad
	0	63	1	1	1	1	1850000000	0	0
	1	60	1	1	1	1	1850000000	0	0
	2	79	2	1	1	1	550000000	0	0
	3	95	2	1	1	1	902500000	0	0
	4	123	2	1	1	1	7000000000	0	0
	5	70	2	1	1	0	2050000000	0	0
	6	87	2	1	1	1	600000000	0	0
	7	59	1	1	1	1	2150000000	0	0
	8	54	2	1	1	0	493000000	0	0
	9	71	1	1	1	1	2370000000	0	0
4	10 r	ows >	< 201 co	olumns					
•									•

In other to convert Address, AreaSize and Pricelevel to integer as required by machine learnign algorithm i get the dummy values for each feature. as show above. I merged the dummy value to the dataset then I drop Address, AreaSize and Pricelevel column

SPLIT DATA TO TARGET AND INPUT VARIABLES

```
In [53]: X=housePrice.drop(['Price'], axis=1)
Y=housePrice['Price']

from sklearn.model_selection import train_test_split
X_train, X_test, y_train, y_test=train_test_split(X,Y, test_size=0.2, random_state)

print(f"shape of x train: {X_train.shape}")
print(f"shape of y train: {y_train.shape}")
print(f"shape of x test: {X_test.shape}")
print(f"shape of y train: {y_test.shape}")

shape of x train: (2471, 200)
shape of y train: (2471,)
shape of x test: (618, 200)
shape of y train: (618,)
```

DATA SCALING

```
In [54]: #let scale the x_train and x_test
    from sklearn.preprocessing import StandardScaler
    scaler=StandardScaler()
    X_train = scaler.fit_transform(X_train)
    X_test = scaler.transform(X_test)
In [55]: Model_Name = []
    Train_score = []
    Test_score = []
    MSE_s = []
    MME_s = []
    Accuracy=[]
```

```
In [56]: def find param (model, parameters):
              grid = GridSearchCV(model,
                                  param_grid = parameters,
                                  refit = True,
                                  cv = KFold(shuffle = True, random_state = 1),
                                  n_{jobs} = -1
              grid_fit = grid.fit(X_train, y_train)
             y_train_pred = grid_fit.predict(X_train)
             y_pred = grid_fit.predict(X_test)
             train_score =grid_fit.score(X_train, y_train)
             test_score = grid_fit.score(X_test, y_test)
             RMSE = np.sqrt(mean_squared_error(y_test, y_pred))
             MSE = mean_squared_error(y_test, y_pred)
              MAE = mean_absolute_error(y_test, y_pred)
              model_name = str(model).split('(')[0]
             Model_Name.append(model_name)
             Train_score.append(train_score)
             Test_score.append(test_score)
             Accuracy.append(round(test_score*100,1))
             MSE_s.append(MSE)
             RMSE_s.append(RMSE)
              MAE_s.append(MAE)
              print(f"The best parameters for {model_name} model is: {grid_fit.best_params_}
              print("--" * 10)
              print(f"(R2 score) in the training set is {train_score:0.2%} for {model_name};
              print(f"(R2 score) in the testing set is {test_score:0.2%} for {model_name} model_name
              print(f"RMSE is {RMSE:,} for {model_name} model.")
              print(f"MSE is {MSE:,} for {model_name} model.")
              #print(y_pred)
              print("--" * 10)
              return train_score, test_score, RMSE,MSE, y_pred
```

The above function will be apply on all algorithm to find the best parameters for better prediction

RIDGE REGRESSOR MODEL

LASSO REGRESSOR

```
In [58]: lassoReg = Lasso(random_state = 1) # Linear Model trained with L1 prior as regular
las_para = {'alpha': [0.001, 0.01, 0.1, 1, 10]}

lasTrain_score, lasTest_score, lasRMSE,lasMSE, las_y_predL = find_param(lassoReg,lastate)
The best parameters for Lasso model is: {'alpha': 10}

(R2 score) in the training set is 91.32% for Lasso model.
(R2 score) in the testing set is 90.97% for Lasso model.
RMSE is 829,480,774.3388903 for Lasso model.
MSE is 6.880383549978451e+17 for Lasso model.
```

RANDOM FOREST REGRESSOR MODEL

XG BOOST REGRESSOR

ElasticNet model

```
The best parameters for ElasticNet model is: {'alpha': 0.1, 'l1_ratio': 0.8}

(R2 score) in the training set is 91.30% for ElasticNet model.

(R2 score) in the testing set is 90.88% for ElasticNet model.

RMSE is 833,956,532.4863738 for ElasticNet model.

MSE is 6.954834980766962e+17 for ElasticNet model.
```

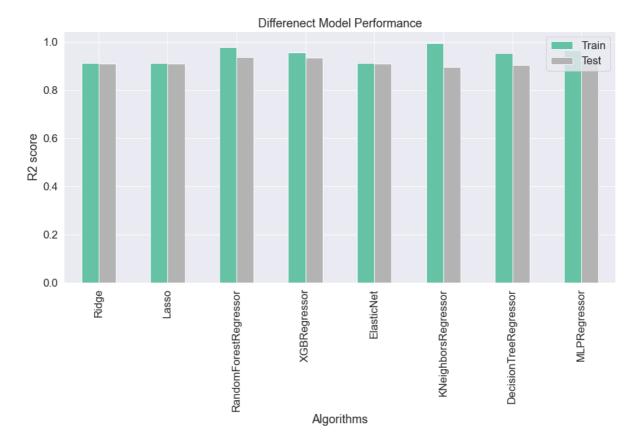
KN NEIGHBOUR REGRESSOR

```
Kregress = KNeighborsRegressor(n_jobs = -1)
         kPram = {'n_neighbors': [5, 10, 15, 20],
                     'weights': ['uniform', 'distance']}
         knTrain_score, knTest_score, knRMSE,knMSE,y_predKn = find_param(Kregress, kPram)
         The best parameters for KNeighborsRegressor model is: {'n_neighbors': 20, 'weight
         s': 'distance'}
         (R2 score) in the training set is 99.43% for KNeighborsRegressor model.
         (R2 score) in the testing set is 89.49% for KNeighborsRegressor model.
         RMSE is 895,013,038.9223047 for KNeighborsRegressor model.
         MSE is 8.01048339840939e+17 for KNeighborsRegressor model.
         ______
In [63]: ## Decision Tree Regressor
In [64]: DecTr = DecisionTreeRegressor(random_state = 1)
         dec_param = {'min_samples_split': [2,3,4, 5],
                     'min_samples_leaf': [1, 2, 3]}
         dtr_train_score, dtr_test_score, dtr_RMSE,dtr_MSE, y_predDec = find_param(DecTr, delibert)
         The best parameters for DecisionTreeRegressor model is: {'min_samples_leaf': 3, 'm
         in_samples_split': 2}
         _____
         (R2 score) in the training set is 95.25% for DecisionTreeRegressor model.
         (R2 score) in the testing set is 90.35% for DecisionTreeRegressor model.
         RMSE is 857,655,986.6890824 for DecisionTreeRegressor model.
         MSE is 7.355737915036236e+17 for DecisionTreeRegressor model.
```

Neural Network

```
The best parameters for MLPRegressor model is: {'activation': 'relu', 'alpha': 10,
          'hidden_layer_sizes': (19,), 'solver': 'lbfgs'}
          (R2 score) in the training set is 96.38% for MLPRegressor model.
          (R2 score) in the testing set is 92.45% for MLPRegressor model.
          RMSE is 758,859,262.6933253 for MLPRegressor model.
         MSE is 5.758673805754573e+17 for MLPRegressor model.
          pd.reset_option("all")
In [66]:
          R_data = pd.DataFrame({'Algorithms':Model_Name,
                       'Train':Train_score ,
                       'Test':Test_score ,
                       'Accuracy': Accuracy,
                       'MSE' :MSE_s,
                       'RMSE':RMSE_s,
                       'MAE':MAE_s})
          R_data.set_index('Algorithms', inplace=True)
          R_data.sort_values(by=['MAE'])
Out[66]:
                                   Train
                                            Test Accuracy
                                                                  MSE
                                                                              RMSE
                                                                                            MAE
                     Algorithms
          RandomForestRegressor 0.979239 0.935768
                                                      93.6 4.896405e+17 6.997431e+08 3.924720e+08
                                                      93.4 5.041197e+17 7.100139e+08 4.550615e+08
                  XGBRegressor 0.956164 0.933868
                  MLPRegressor 0.963829 0.924456
                                                      92.4 5.758674e+17 7.588593e+08 4.583499e+08
           DecisionTreeRegressor 0.952451 0.903505
                                                      90.4 7.355738e+17 8.576560e+08 4.837702e+08
                      ElasticNet 0.912969 0.908764
                                                      90.9 6.954835e+17 8.339565e+08 5.090714e+08
                                                      91.0 6.893758e+17 8.302866e+08 5.112731e+08
                         Ridge 0.913214 0.909566
                         Lasso 0.913229 0.909741
                                                      91.0 6.880384e+17 8.294808e+08 5.123537e+08
                                                      89.5 8.010483e+17 8.950130e+08 5.158643e+08
            KNeighborsRegressor 0.994283 0.894916
          R_data.plot(y = ['Train' , 'Test'] , kind="bar" , figsize=(15,7) ,title="Differene"
          plt.ylabel('R2 score')
```

plt.show()



In [69]: R_data.plot(y = ['MAE'] , kind="bar" , figsize=(15,7) ,title="MAE for different mode
plt.ylabel("MAE(smaller the better)")
plt.show()

